



FEDERAL ELECTION COMMISSION
Washington, DC 20463

OCT 28 2016

Via Facsimile and First Class Mail
(212) 805-9396

Laurence Levy, Esq.
Greenberg Traurig, LLP
MctLife Building
200 Park Avenue
New York City, New York 10166

RE: MUR 7027
R. Carter Pate

Dear Mr. Levy:

On October 25, 2016, the Federal Election Commission accepted the signed conciliation agreement submitted on your client's behalf in settlement of a violation of 52 U.S.C. §§ 30118(a), 30122 and 11 C.F.R. §§ 110.4(b)(1)(i) and (ii) and 114.2(e), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter as it pertains to Mr. Pate.

The Commission reminds you that the confidentiality provisions of 52 U.S.C. § 30109(a)(12)(A) still apply, and that this matter is still open with respect to another respondent. The Commission will notify you when the entire file has been closed.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty is due within 30 days of the effective date of the conciliation agreement. If you have any questions, please contact me at (202) 694-1618.

Sincerely,

A handwritten signature in black ink that reads "Kimberly D. Hart". The signature is fluid and cursive.

Kimberly D. Hart
Attorney

Enclosure
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the matter of

R. Carter Pate

)
)
)
)

MUR 7027

CONCILIATION AGREEMENT

1704442301M3
This matter was generated by a joint *sua sponte* (or self-reporting) submission by MV Transportation, Inc. ("MV") and R. Carter Pate ("Pate" or "Respondent"), MV's former Chief Executive Officer ("CEO"). The submission notified the Commission that MV reimbursed Pate for six political contributions totaling \$43,100 that Pate made to federal candidates and political committees between 2011 and 2013.

The Commission found reason to believe that Pate knowingly and willfully violated 52 U.S.C. § 30122 and 11 C.F.R. § 110.4(b)(1)(i) and (ii) by making contributions in the name of another and knowingly permitting his name to be used to effect such contributions. Further, the Commission found reason to believe that Pate knowingly and willfully violated 52 U.S.C. § 30118(a) and 11 C.F.R. § 114.2(e) by consenting to making prohibited corporate contributions.

NOW, THEREFORE, the Commission and the Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 52 U.S.C. § 30109(a)(4)(A)(i).

17044430124

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. MV is a privately held corporation providing passenger transportation services throughout the United States.

2. R. Carter Pate became CEO of MV in late 2011. In that capacity, he also served on the Board of Directors. Before that, Pate was the Global and U.S. Managing Partner for the Capital Projects, Infrastructure, and Government Practice at PricewaterhouseCoopers. Pate retired as MV's CEO and Board member in September 2014. As of September 2014, however, he continued to work with MV as a Strategic Advisor to the Board. Throughout his career as an executive, Pate had experience with contributing to federal political campaigns, and fundraising, primarily during presidential election cycles.

3. Brad Cornelsen was CFO of MV. According to MV, it terminated Cornelsen's employment in April 2014 for reasons unrelated to the reimbursements at issue in this matter.

4. During MV's internal analysis of executive compensation in April 2014, Pate "reported certain unusual executive bonus payments" to the MV Board. The Board then retained a law firm to conduct an internal investigation "regarding the executive bonus payments and other possible financial irregularities."

5. Through this investigation, the Board learned that between 2011 and 2013, MV unlawfully reimbursed Pate for six federal political contributions totaling \$43,100.

17044430135

6. Pate, as CEO and with the help of his MV assistants, made the six contributions in his name from his personal checking account as "business decisions" to benefit MV. Pate or his assistant would then send a copy of Pate's personal contribution check to Cornelsen for approval and reimbursement by the corporation. Each submission clearly indicated that Pate was seeking reimbursement for a federal political contribution, and each included the name of the committee, and or candidate that was given the contribution. Cornelsen approved the six reimbursement requests, and MV's Payroll Department reimbursed Pate for those amounts through payments it falsely categorized as bonuses, which were "grossed up" to account for taxes.

7. Respondents contend in the *sua sponte* submission that when Pate learned reimbursement of federal contributions was not permitted, he joined with MV in self-reporting the circumstances of this matter to the Commission.

8. Pate also reimbursed MV Forty Three Thousand and One Hundred (\$43,100) dollars, the full amount of the contributions from his personal funds.

V. The pertinent law in this matter is as follows:

1. The Federal Election Campaign Act of 1971, as amended ("the Act") prohibits corporations from making contributions to a federal political committee other than independent expenditure-only political committees, and further prohibits any officer of a corporation from consenting to any such contribution by the corporation. 52 U.S.C. § 30118(a); 11 C.F.R. § 114.2(b), (e).

2. The Act prohibits a person from making a contribution in the name of another or knowingly permitting his or her name to be used to effect such a contribution.

52 U.S.C. § 30122; 11 C.F.R. § 110.4(b)(1)(i)-(ii).

VI. Respondent committed the following violations of the Act:

1. Pate violated 52 U.S.C. § 30118(a) and 11 C.F.R. § 114.2(e) by consenting to making prohibited corporate contributions.

2. Pate violated 52 U.S.C. § 30122 and 11 C.F.R. § 110.4(b)(1)(i) and (ii) by making contributions in the name of another and permitting his name to be used to effect such contributions.

VII. Respondent will take the following actions:

1. Respondent will cease and desist from violating 52 U.S.C. §§ 30118(a) and 30122 and 11 C.F.R. §§ 114.2(e) and 110.4(b)(1)(i) and (ii).

2. Respondent will pay a civil penalty of Forty-Three Thousand Dollars (\$43,000).

VIII. The Commission, on request of anyone filing a complaint under 52 U.S.C. § 30109(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

IX. This agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

X. Respondent shall have no more than 30 days from the date this agreement

becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

XI. This conciliation agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained within this written agreement shall be enforceable.

FOR THE COMMISSION:

BY: Kathleen M. Guith
Kathleen M. Guith
Acting Associate General Counsel
for Enforcement

10/28/16
Date

FOR THE RESPONDENT:

Laurence Levy
Laurence Levy
Counsel for Respondent
Greenberg Traurig, LLP
MetLife Building
200 Park Avenue
New York, NY 10166

8/8/2016
Date